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STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: SEP 5, 1999
EFFECTIVE: OCT 1, 1999
12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%	$18.34 /CWT

EFFECTIVE OCTOBER 1, 1999:

The minimum price to pay milk producers, under ARM 32.24.301, is $18.34 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of fifteen cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be $1.50.

CLASS I BUTTERFAT PRICE PER POUND	$1.50 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%	$12.87 /CWT

Average spray process dry milk solids price per pound	=	$1.06250	
Multiplied by 8.2	x	8.2	
		$8.71250	$8.71250
PLUS +			
Last quote of the month for Grade AA butter minus a differential of $.0895		$1.27550	
Multiplied by 4.2	x	4.2	
		$5.35710	+ $5.35710
			$14.06960
LESS 8.5% (	$14.06960	X .085)	- $1.19592
			$12.87368

Rounded to the nearest whole cent $12.87 /hundredweight.

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CLASS II BUTTERFAT PRICE PER POUND **$1.40 /LB**

Butterfat differential	$1.27550	X .111)	=	$0.14158
Rounded to the nearest half cent			=	$0.140

CLASS II VALUE OF ONE POUND OF SKIM **0.082590674 /LB**

Butterfat value per pound for milk at 3.5% test:	$1.40			
Hundredweight price of milk testing 3.5%			=	$12.87
LESS 3.5 pounds of butterfat at	$1.40	per pound	-	$4.900
Value of 96.5 pounds of skim			=	$7.970
Value of one pound of skim	7.970	/ 96.5 pounds)	=	$0.08259 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND **$1.15 /LB**

Last quote of the month for Grade AA butter minus a difference of $.0895	=	$1.27550
LESS 10%	-	$0.12755
		$1.14795
Rounded to the nearest whole cent		$1.15 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED 7.23137 /CWT

Avg. spray process dry milk solid price/lb	$1.06250
Multiplied by 8.2	8.2
	$8.71250
LESS 17%	$1.48113
	$7.23137
Rounded to the nearest whole cent	$7.23 per hundredweight.

CLASS III PRICE PER CWT FOR MILK TESTING 3.5% **$11.00 /CWT**

3.5 pounds of butterfat	$1.15	per pound =	$4.025
96.5 pounds of skim	$0.07231	per pound =	$6.978
			$11.003 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marlys M. Koontz

Marlys M. Koontz, Program Specialist
Montana Milk Control Bureau

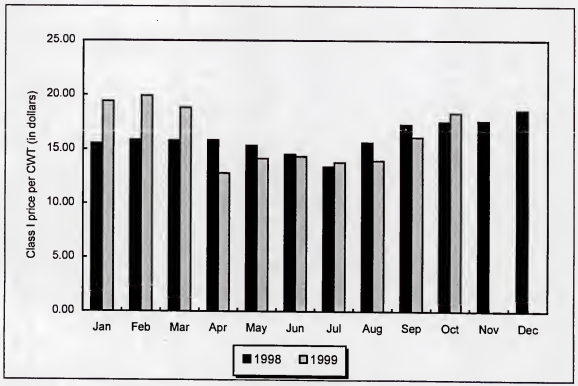
BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON $18.34 FOR 3.5% MILK 96.5 LBS = $13.090		CLASS II SKIM PRICE BASED ON $12.87 FOR 3.5% MILK 96.5 LBS = $7.970		CLASS III SKIM PRICE BASED ON $11.00 FOR 3.5% MILK 96.5 LBS = $6.978	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	$0.13426	2.50	$0.08174	2.50	$0.07157
2.55	$0.13433	2.55	$0.08179	2.55	$0.07161
2.60	$0.13439	2.60	$0.08183	2.60	$0.07164
2.65	$0.13446	2.65	$0.08187	2.65	$0.07168
2.70	$0.13453	2.70	$0.08191	2.70	$0.07172
2.75	$0.13460	2.75	$0.08195	2.75	$0.07175
2.80	$0.13467	2.80	$0.08200	2.80	$0.07179
2.85	$0.13474	2.85	$0.08204	2.85	$0.07183
2.90	$0.13481	2.90	$0.08208	2.90	$0.07186
2.95	$0.13488	2.95	$0.08212	2.95	$0.07190
3.00	$0.13495	3.00	$0.08216	3.00	$0.07194
3.05	$0.13502	3.05	$0.08221	3.05	$0.07197
3.10	$0.13509	3.10	$0.08225	3.10	$0.07201
3.15	$0.13516	3.15	$0.08229	3.15	$0.07205
3.20	$0.13523	3.20	$0.08233	3.20	$0.07209
3.25	$0.13530	3.25	$0.08238	3.25	$0.07212
3.30	$0.13537	3.30	$0.08242	3.30	$0.07216
3.35	$0.13544	3.35	$0.08246	3.35	$0.07220
3.40	$0.13551	3.40	$0.08251	3.40	$0.07224
3.45	$0.13558	3.45	$0.08255	3.45	$0.07227
3.50	$0.13565	3.50	$0.08259	3.50	$0.07231
3.55	$0.13572	3.55	$0.08263	3.55	$0.07235
3.60	$0.13579	3.60	$0.08268	3.60	$0.07239
3.65	$0.13586	3.65	$0.08272	3.65	$0.07242
3.70	$0.13593	3.70	$0.08276	3.70	$0.07246
3.75	$0.13600	3.75	$0.08281	3.75	$0.07250
3.80	$0.13607	3.80	$0.08285	3.80	$0.07254
3.85	$0.13614	3.85	$0.08289	3.85	$0.07257
3.90	$0.13621	3.90	$0.08293	3.90	$0.07261
3.95	$0.13628	3.95	$0.08298	3.95	$0.07265
4.00	$0.13635	4.00	$0.08302	4.00	$0.07269
4.05	$0.13643	4.05	$0.08306	4.05	$0.07272
4.10	$0.13650	4.10	$0.08311	4.10	$0.07276
4.15	$0.13657	4.15	$0.08315	4.15	$0.07280
4.20	$0.13664	4.20	$0.08319	4.20	$0.07284
4.25	$0.13671	4.25	$0.08324	4.25	$0.07288
4.30	$0.13678	4.30	$0.08328	4.30	$0.07291
4.35	$0.13685	4.35	$0.08332	4.35	$0.07295
4.40	$0.13692	4.40	$0.08337	4.40	$0.07299
4.45	$0.13700	4.45	$0.08341	4.45	$0.07303
4.50	$0.13707	4.50	$0.08346	4.50	$0.07307

PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1998 and 1999

Statistics from the Montana Milk Control Bureau

Month	1998	1999	Difference	% Change
January	$15.51	$19.39	$3.88	25.02%
February	$15.84	$19.89	$4.05	25.57%
March	$15.80	$18.82	$3.02	19.11%
April	$15.87	$12.82	($3.05)	-19.22%
May	$15.36	$14.17	($1.19)	-7.75%
June	$14.56	$14.36	($0.20)	-1.37%
July	$13.43	$13.81	$0.38	2.83%
August	$15.65	$13.97	($1.68)	-10.73%
September	$17.32	$16.14	($1.18)	-6.81%
October	$17.54	$18.34	$0.80	4.56%
November	$17.65			
December	$18.59			
Average	**$16.09**	**$16.17**	**$0.48**	**3.12%**

Prices are per hundredweight (CWT).